

BOROUGH COUNCIL OF KING'S LYNN & WEST NORFOLK**COUNCIL**

**Minutes from the Meeting of the Council held on Tuesday, 26th March, 2019
at 6.30 pm in the Assembly Room, Town Hall, Saturday Market Place, King's
Lynn PE30 5DQ**

PRESENT: Councillor G Hipperson, Deputy Mayor in the Chair

Councillors B Ayres, Miss L Bambridge, A Beales, R Bird, R Blunt, Mrs C Bower, A Bubb, Mrs J Collingham, J Collop, Mrs S Collop, C J Crofts, S Dark, I Devereux, Mrs S Fraser, P Gidney, G Hipperson, P Hodson, M Hopkins, M Chenery of Horsbrugh, M Howland, G Howman, H Humphrey, C Joyce, A Lawrence, B Long, C Manning, G McGuinness, Mrs K Mellish, G Middleton, J Moriarty, A Morrison, Mrs E Nockolds, T Parish, D Pope, C Sampson, Miss S Sandell, M Shorting, T Smith, Mrs V Spikings, Mrs S Squire, T Tilbrook, A Tyler, D Tyler, Mrs E Watson, J Westrop, D Whitby, A White, Mrs M Wilkinson and Mrs S Young

Apologies for absence were received from The Mayor, Councillor N Daubney, Councillors R Groom, P Kunes, M Peake and M Storey

C:82 **PRAYERS**

Prayers were led by Rev Canon Ling

C:83 **DECLARATION OF INTEREST**

The Mayor, Councillor Daubney had declared an interest in the item and so was not present at the meeting.

C:84 **MAYOR'S COMMUNICATIONS AND ANNOUNCEMENTS**

None

C:85 **URGENT BUSINESS**

None

C:86 **NOTICE OF MOTION**

Under Standing Order 4.4, Councillor Moriarty had proposed the special Council meeting, in order to consider the notice of motion below. This was supported by Councillors Joyce, Squire, Bird, McGuinness and Parish.

The Notice of Motion proposed was accepted as under Standing Order 19.1 Councillor Moriarty had accrued the support of the required

number of members present at the Council meeting when it was originally considered – 24 January 2019 (1/3 of the members present when it was considered - 16 members).

Those were Councillors:

J Moriarty
C Joyce
C Manning
I Devereux
R Bird
M Howland
G McGuinness
D Pope
S Buck
S Collop
J Collop
T Parish
G Howman
M Wilkinson
S Squire
T Tilbrook
P Beal
A Tyler

The Deputy Mayor invited Councillor J Moriarty to propose the following Notice of Motion (3/19):

“That this Council establish an independent inquiry into the partnership with Norfolk and Waveney Enterprise Services (NWES) and its subsidiaries and associated companies and those with common shareholders or directors, regarding the award of and administration of the KLIC project and all aspects of its (their) financial relationship with the Borough Council of King’s Lynn and West Norfolk.

To ensure the impartiality and independence of the Inquiry, the Chair and personnel of such an Inquiry to be chosen by an outside body, such as the Local Government Association (LGA) and consideration be given to requesting further assistance from such an outside body if required.

This enables the proposed Audit Committee Task Group to focus on the future composition and operation of the Major Projects Board, the Major Projects Progress overview and other lessons learnt from the ‘KLIC Lessons Learnt Review’.

The independent Inquiry will have access to all council documents associated with NWES, subsidiaries etc as detailed above.”

Councillor Moriarty proposed the Notice of Motion. This was seconded by Councillor Long who reserved his right to speak.

The Monitoring Officer reminded members of the redacted and unredacted version of the Audit report and that only information available to the public in the redacted version could be debated in open session. She reminded members that any assertions made by members about individuals needed to be factually based and evidenced.

The Deputy Mayor asked if there were any amendments proposed to be made to the Motion. There were none.

Councillor Howman supported the motion and likened it to an employee investigation where they didn't have any control over the investigation, he felt that the Council should not carry out its own investigation and not try to hide or cover anything up. If it showed anything the Council could consider this later.

Councillor McGuinness in supporting the Motion commented that it was by repeated asking by some councillors that this had come about. He commented that in reading the report it appeared that the costs became unclear and were added to over time. He felt that the costs of a project should be set out at the beginning of the project so the full costs were known.

Councillor Joyce in supporting the motion asked that any documents requested as part of the review be provided. He referred to the internal audit report which shone a light on failings with the exception of an individual who refused to sign documents which were not in the Council's favour. He felt that the current report didn't show how the partnership had come about, and the independent report should show this and the valuation details. He drew attention to the fact that NWES were still in occupation. He stressed that Council needed to know if councillors were at fault, and if they should have known what was going on. He drew attention to the fact that the media had uncovered what payments had been made and the new chief executive of NWES' reaction at the state of the accounts had been shock.

Councillor Beales as a point of information reminded members the building was not an office block but a business centre which affected the basis of the valuation. The policy was to open and run a business centre.

Councillor Middleton explained that at the Audit Committee the press and public had been excluded from the meetings following legal advice. No-one present denied that exclusion. The resolutions from the Committee had requested for the redacted report to be released to the public. The formation of a cross party working group to look at the lessons learned and report back to the Committee had been agreed which he felt would enable the Group to look at the Council's role in future projects.

Councillor Middleton expressed the opinion that he would be more concerned if there were no lessons to be learnt from a project which was the first of its kind. He referred to the reporting in the news which stated that the money was lost, whereas it was not lost, it was the failure of the third party to pay the money debt, but the Council would take the building back and would own the building and receive rent on the property. He considered that the council should learn from the project but not be shy of future projects because with the reduction in government funding it needed to continue.

Councillor Dark welcomed the motion and reminded members that it would be an independent look with clarity and purpose in order to learn lessons from it and deal with the outcomes. He reminded all that this was being supported across the board and that Members should reserve the comments and point scoring.

Councillor J Collop stated he was pleased with the Task Group set up by Audit and that the Motion was going forward so lessons could be learnt.

Councillor Beales stated that while he couldn't support the previous Motion he was happy to support the current one. He considered it reasonable and measured unlike some of the political and media comments made. He reminded members that he had asked for the internal audit investigation as soon as it was apparent there were some procedural issues. He felt it was a thorough, clear and well-presented investigation which he hoped would assist the inquiry currently being proposed. He acknowledged that he had taken a lot of criticism for the report, but reminded members that the project in 2013 had full cross party support. He re-affirmed the Council's ambition which were to provide a landmark building on the previously contaminated land, kick start the Enterprise Zone which had shown lots of interest in the new units, it supported small businesses, the building was full with some tenants looking for move on space in the Enterprise Zone. He stressed that the Council should continue to strive for these things.

In referring to the finances Councillor Beales reminded members it was not lost, they hadn't repaid the loan, but the building, whilst not yet in possession of the Council was owned by it and the income was the Council's. He acknowledged that the construction costs would be higher than many others because of the history of the site. However he considered that the Council would learn valuable lessons from the situation.

The Monitoring Officer, in response to a question confirmed that only the content of the redacted version of the report should be debated in open session.

Councillor Pope complained that the meeting of the Audit Committee did not have full minutes of the confidential session. He considered that the Audit Task Group didn't have the skill or expertise to carry out

its task, and commented that the major projects team should have management team and member input. He considered that there had been opportunities to examine the risk and due diligence, stated that he had raised concerns in the Cabinet meetings about the ability of NWES to repay loans which he felt should have flagged some concerns. He considered that the steering group should have an independent chairman with business background, 2 Cabinet members and management team representatives. He commented that projects continually came in over budget.

Councillor Smith asked what power the Council had to ask another organisation for the information. The Monitoring Officer explained that the scrutiny committee could require officers and outside bodies to attend, but if the council was operating its own investigation it wasn't able to force people to co-operate but would hope that they would.

Councillor Squires commented that she felt that the fact that no due diligence had been carried out was horrifying and that with public money there was a duty to protect it. She considered there was not enough management oversight in the project and was sad it had taken until now to get to this point.

Councillor Long, in seconding the Motion commented that he had been accused of not wanting an inquiry, whereas he had indicated that he wanted the Council's own processes to be concluded first. He urged members to support the motion, and confirmed that the Council would learn for the future, many of the comments made had the benefit of hindsight which he considered was easy to do. He stated that the bottom line was there was a fantastic facility and the aspiration for the area was still there. He reminded members that all councillors had voted for it, and the right thing to do now was to have an inquiry to look at the situation and processed, a good amount of the work had been done by the internal audit investigation. He was certain that everyone who voted for it had done so with the best intentions for the Borough.

In summing up Councillor Moriarty thanked all those who had contributed to the debate.

On being put to the vote the Motion was agreed.

RESOLVED:

That this Council establish an independent inquiry into the partnership with Norfolk and Waveney Enterprise Services (NWES) and its subsidiaries and associated companies and those with common shareholders or directors, regarding the award of and administration of the KLIC project and all aspects of its (their) financial relationship with the Borough Council of King's Lynn and West Norfolk.

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The meeting closed at 7.16 pm